

Poughkeepsie, NY – U.S. Rep. John Hall (D-NY19) stood today with hospital officials and employees at Saint Francis Hospital in Poughkeepsie to call for Congress to halt disastrous cuts in funding to local hospitals proposed in President Bush's fiscal year (FY) 2009 budget.

Under the President's plan, hospitals in New York State, many of whom are already struggling financially under current payment levels, will lose over \$1 billion dollars next year and \$10 billion dollars over the next five years. Hospitals in Dutchess County are projected to lose almost \$7 million next year and \$76.5 million over the next five years under Bush's proposal.

"Saint Francis Hospital alone would lose almost \$130 million over the next five years," explained Congressman Hall. "At a time when more and more Americans are struggling to obtain affordable health care, the President wants to slash health care for senior citizens and disabled Americans. These cuts would have a disastrous effect on hospitals in the Hudson Valley."

Annually, New York hospitals treat 2.6 million inpatients and almost 54 million outpatients including 7.9 million who are treated in emergency rooms. Saint Francis Hospital functions as a full service community hospital, has the busiest Level II Trauma Center in New York State, and also supports mental health and addiction-related services.

Robert Savage, President and CEO of Saint Francis Hospital and Health Centers said, "This hospital is seeing sicker and sicker patients from our growing elderly and disadvantaged populations. As proposed, the President's budget attack on Medicare and Medicaid will devastate Saint Francis and the State's fragile infrastructure when so many hospitals are barely getting by. With the help of Representative Hall and all of Congress, Saint Francis hopes to see meaningful reform."

Over 1,800 employees work at Saint Francis Hospital and Health Center.

"Severe budget cuts threaten jobs, which is a real problem in this recession," said Rep. Hall. "You can't cut \$10 billion dollars without significant suffering all around. Under the Bush budget, many smaller facilities would be forced to close, and larger hospitals like Saint Francis will suffer major cutbacks. Without a doubt their capacity to treat patients and their quality of care will diminish."

Congressman Hall pledged to work in Congress to reverse the President's budget cuts and pass a budget that strengthens the economy, provides relief for people struggling through the economic downturn, and also brings a change to Washington's failed policy of borrowing and wasteful spending.

"If you think taxes are high now, wait until the federal government starts cutting \$10 billion in services," said Hall. "The onus for dealing with this will fall on state and local governments, who will be obliged to pick up some of the slack. It wouldn't surprise me at all if the end result of these cuts is a dramatic increase in state and local taxes. That is not progress."

Nationwide, President Bush proposes to cut over the next five years \$15 billion in updates for inpatient care, \$25 billion from payments to hospitals serving large numbers of poor people, \$20

billion from capital payments used for new buildings and equipment, \$23 billion from payments to teaching hospitals. Hall said these cuts would "undermine our ability to train young doctors at a time when the nation is running the risk of a shortage of physicians."

Medicare provides an annual payment update to providers, designed to reflect the year-to-year increases in health care costs. The non-partisan Medicare Payment Advisory Commission recommended Medicare payments to hospitals increase about three percent in 2009, to account for this expected increase in costs. But the President's budget eliminates this update for hospitals, hospices, skilled nursing facilities, home health agencies, and long term care and rehabilitation facilities for the next three years, and cuts payments every year thereafter.

"The President should be working with Congress to strengthen Medicare, not undermine it," said Hall. "These drastic reductions threaten coverage for millions, will force cutbacks by hospitals and discourage healthcare providers from serving Medicare beneficiaries. With millions of Americans remaining uninsured, we must work to expand access to reliable, affordable health care, not reduce it."